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Department of Toxic Substances Control

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March 27, 2007

Mr. Craig Cooper
Environmental Program Manager
The Presidio Trust
34 Graham Street
Post Office Box 29052
San Francisco, California 94129-0052

Subject: Request for Concurrence on Suitability for Lease
Building 937, Presidio of San Francisco

Dear Mr. Cooper:

The California Department of Toxic Substances Control (DTSC) has reviewed the initial DRAFT Request for Concurrence on Suitability for Lease dated September 1, 2006, and a revised Request for Concurrence on Suitability for Lease dated September 13, 2006. Letter requests for Concurrence on Suitability for Lease were submitted for both buildings 933 and 937. Although DTSC provided a concurrence to lease letter for Building 933 on September 20, 2006, the concurrence for Building 937 was delayed pending the results of additional investigations to be performed at Building 937.

DTSC is hereby providing concurrence with the Trusts finding of suitability to lease Building 937, subject to the limitations and conditions presented below. Based upon the results of investigations at Building 937, volatile organic compounds (VOCs) have been measured beneath the concrete slab floor and the indoor air at concentrations which may exceed acceptable risk levels. The Trust has proposed implementation of interim mitigation measures during upgrades to the facility to allow tenant occupancy. To that extent, any perspective tenant should be made aware of the existing environmental conditions at the facility as well as the regulatory requirements that must be attained prior to occupancy and for completion of regulatory requirements pursuant to Chapter 6.8 of the Health and Safety Code. To assure the prospective tenants are aware of these requirement and potential issues associated with regulatory compliance, DTSC would like to meet with proposed tenants prior to the signing of a lease. Presented below is a brief discussion of the project background prior to a discussion of additional conditions for concurrence to lease.

Project Background: Building 937 is located within the Crissy Field remediation area of the Presidio and has been the subject of several remedial investigations and subsequent remedial actions. Recent investigations at Building 937 and adjacent buildings have indicated that concentrations of several volatile organic compounds (VOCs) have been detected in soil beneath these buildings. At Building 937, VOCs have been detected in both the subslab and the indoor air at concentrations that exceed risk-based screening levels.

The Trust has indicated that proposed future use of Building 937 will be associated with winery and restaurant activities. The building is approximately 17,600 square-feet with 6,400 feet being dedicated to restaurant operations. Proposed activities at the building would include the operation of a restaurant, and the aging, blending, and bottling of wine; the wholesale and retail sale of wine; retail sale of wine-related merchandise, and associated special events.

Conditions for Project Concurrence:

Of primary concern is the potential for exposure to VOCs subsequent to building renovation. To that extent the Trust may not allow occupancy of the building to occur until after implementation of interim mitigation measures and subsequent indoor air sampling has shown that VOCs in the indoor air are below applicable risk-based screening levels. All leasing and contract agreements entered into by the Trust prior to the completion of environmental clearance are performed at the sole risk of the Presidio Trust.

Concurrence on the Suitability to Lease is also contingent upon the implementation of several mitigation measures which were also identified in the request for concurrence.

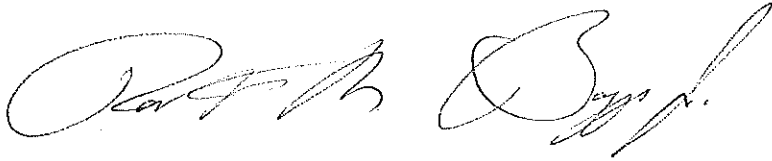
1. Construction Health & Safety (H&S) Plan: The Trust will require the tenant's construction contractor to prepare and implement a H&S Plan to ensure worker safety during construction. H&S protocols will be established for potential risks related to VOCs and other contaminants in soil at Building 937. The H&S Plan shall be submitted for DSTC review and will include monitoring of VOCs within the worker's breathing zone during and cutting or removal of the concrete slab, excavation work, and during construction. DTSC shall endeavor to provide review comments within 60 calendar days of receipt for any document related to Building 937.
2. Design, Construction and Start-Up of Mitigation Measures: The Trust has proposed an active soil depressurization system (ASD) as a means to limit intrusion of VOCs into the indoor air as well as attain acceptable risk-based exposure concentrations of VOCs within the indoor air. A detailed engineering design of the ASD, along with a conceptual design of the proposed winery and restaurant layout shall be submitted to this department for approval of the ASD prior to construction/rehabilitation of the building and installation of the ASD. The ASD shall include measures to assure proper operation of the equipment during all times the building is to be occupied.

3. Post-construction Indoor Air Monitoring: Following building construction/rehabilitation and prior to tenant occupancy, the indoor air of the building will be tested to ensure that PCE, DCE, Benzene, and other VOCs are not present in indoor air at levels which could pose a risk. After submitting a sampling and analysis plan for DTSC review and approval, the Trust will conduct two rounds of sampling: one round of sampling immediately following construction and prior to tenant occupancy. All results from the sampling and conclusions drawn from those results shall be submitted to DTSC for review and approval. If this initial sampling indicates that VOCs are not present at concentrations which pose a health risk, then tenant occupancy will be permitted, and a second round of sampling will occur approximately 6 months later.
4. Building 923/937 Land Use Control (LUC): In the addenda section of the Trust's recent deliverable to the DTSC entitled, Presidio Trust Land Use Controls Master Reference Report (LUCMRR)(EKI, 2006a), the Trust provided the LUC for the Building 923/937 Area. The LUC is designed to provide long-term protection of human health and the environment for residual contamination remaining in soil and groundwater in the area. The LUC for Building 937 will (1) restrict sensitive uses in indoor and outdoor areas of Building 937; (2) provide that the un-remediated areas around the building must remain covered with either buildings, pavement, or another barrier; (3) include soil handling, testing, reuse, and disposal requirements; (4) provide that all soil intrusive work in un-remediated areas be conducted under a site-specific H&S Plan; and (5) restrict use of groundwater at neighboring Building 937 as a drinking water or irrigation water supply. In addition, the LUCMRR shall be modified to prohibit future modifications (subsequent to implementation of interim mitigation measures and indoor air monitoring) which penetrate the floor slab or otherwise have the potential to affect migration of subsurface vapors into the building without prior DTSC review and approval.

In the request for concurrence, it was noted that the Trust previously requested closure certification for the Building 933/937 Area. During review of the information contained in the Implementation Report (EKI, 2004) it was noted that characterization of potential risks at these sites was inadequate, and that VOCs in soil vapor and indoor air could be of potential concern. At the request of DTSC, additional sampling was conducted and the results indicate the presence of VOCs at Building 937 in both the soil gas and indoor air at concentrations that may be greater than the risk-based screening levels. Site certification can only be provided after the exposure risks at these sites are adequately mitigated. Although interim mitigation measures have been proposed, the Presidio Trust must also complete a feasibility study (FS) and remedial action plan (RAP) which may call for implementation of additional remedial measures. As such, perspective tenants must also be informed of the possibility that future remedial actions may affect or temporarily interrupt their operations.

If you have any questions or concerns regarding this concurrence letter or the conditions listed above please contact me at (510) 540-3751.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Boggs Jr.", written in a cursive style.

Robert M. Boggs Jr., P.E.
Remediation Project Manager
California Environmental Protection Agency
Department of Toxic Substances Control

cc: Mr. Brian Ullensvang, P.E.
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